



2021 ANNUAL MEETING

Central Middle School
200 N. 17th Street

Tuesday, February 23, 2021
5:30 p.m.

VISION STATEMENT

The community's
first choice today and
tomorrow.

MISSION STATEMENT

MCT has a passion for our Members' financial well-being by responsibly delivering innovative products and services in a fun, friendly atmosphere while creating member loyalty.

BUSINESS MEETING AGENDA

1. Establish a Quorum
2. Approve 2020 Meeting Minutes
3. Board Chairman Report
 - Introduction of Board
 - Board Chairman Remarks
4. CEO Report
 - Introduction of Credit Union Staff
 - Employee Service Recognition
 - CEO Remarks
5. Audit Committee Report
6. Old Business
7. New Business
 - Election of Directors
 - Door Prize Drawings
8. Adjournment

MCT CREDIT UNION ANNUAL MEETING

MINUTES

DATE:	February 25, 2020
TIME:	5:30 p.m.
PLACE:	Port Neches Elementary
DIRECTORS PRESENT:	Randy Chance, Chairman Dr. George Scott, Vice Chairman Randy Brown, Secretary/ Treasurer Mike Guidry Mike Laird Jimmy Myers Deborah Norris Trent Devenzio
DIRECTORS ABSENT:	Rebecca Demeter
ADVISORY DIRECTORS PRESENT:	Dr. Kimberly Pitts Gary Tiner Dale Fontenot
ADVISORY DIRECTORS ABSENT:	None
ALSO PRESENT:	Thad Angelle, Karen Frederick, Chad Powell, Keith Fontenot, Brandy Colunga, Alyssa Balsano, and Magan Bordes

I. Call to Order

The meeting was called to order by the Chairman, Randy Chance, at 5:35 p.m.

II. Establishment of a Quorum

The Chairman, Randy Chance, asked if a quorum was established.
A quorum was established by Brandy Colunga.

III. Annual Meeting Minutes

Mr. Chance asked for a motion to dispense with the reading of the 2019 minutes.

Motion: A motion was made by Mike Guidry and seconded by Randy Brown to dispense with the reading of the 2019 minutes. The motion carried with all in favor.

IV. Report of the Chairman

The Chairman, Randy Chance, introduced the members of the Board of Directors. He then called attention to the Chairman's report in the printed handout and made a statement.

V. Report of the President

Thad Angelle asked the staff to stand and be recognized. He also announced Randy Brown and Becky Demeter for their 10 years of service on the Board of Directors. Thad also proclaimed his excitement for the positive changes taking place at the Credit Union. MCT will be opening a branch in Beaumont, providing a 24/7 call service to the membership, and enhancing the website and mobile app. We are expecting great growth and prosperity to continue in 2020.

VI. Report of the Audit Committee

The Chairman called on Becky Demeter, Audit Committee Chairman, who reported that one audit was conducted by Clifton Larson Allen and that the Credit Union was found to be in sound financial condition.

VII. Old Business

Mr. Chance asked if there was any old business.

There was no old business.

VIII. New Business

A. Election of Officers

The Chairman called on Trent Devenzio, Nominating Committee Chairman. He reported the committee nominated the four nominees as follows:

Dr. George Scott
Michael Laird
Rebecca Demeter
Deborah Norris

The Chairman, Randy Chance, asked for a motion to approve the Nominating Committee's recommendation to appoint Dr. George Scott, Michael Laird, Rebecca Demeter, and Deborah Norris to the Board of Directors.

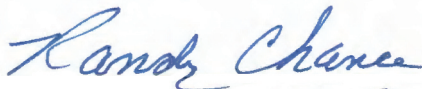
Motion: A motion was made by Trent Devenzio, and seconded by Mike Guidry to elect the nominees. The motion carried with all in favor.

IX. Drawing of Door Prizes

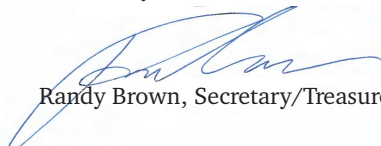
Mr. Chance called Mike Guidry to conduct the drawing of the door prizes. The drawings for door prizes took place where 20 Certificates for \$100 were given away.

X. Adjournment

There being no further business, the meeting was adjourned at 5:56 p.m.



Randy Chance, Chairman



Randy Brown, Secretary/Treasurer

CHAIRMAN REPORT

During difficult times, the Credit Union industry philosophy of “People Helping People” seems to shine the most. 2020 was an extraordinary year for Southeast Texas that brought many challenges and uncertainties as we navigated through the pandemic, two hurricanes, and other obstacles. Throughout the year, the MCT Board of Directors and Management team recognized that it was more important than ever for the Credit Union to give back to the membership.

I am proud to report that Credit Union Staff and Management worked relentlessly throughout the year to help and serve the membership. By adding several additional safety protocols, the Credit Union was able to keep all branch lobbies open throughout 2020. Additionally, MCT continued to give back to the community through the support of local non-profits, small businesses, and essential industries.

Financially, MCT still remains well capitalized indicating a financially sound institution. Although 2020 was a tough year, the Credit Union was able to report positive earnings. While loan growth slowed, MCT experienced tremendous growth in assets and shares.

The Credit Union stayed true to the Mission in 2020 by continuing to deliver innovative products and services, and will continue to do so in 2021. Lastly, the Board of Directors, Management and Staff are very excited to begin the construction phase of the Beaumont branch to further serve and expand our membership.

In conclusion, I would first like to thank the membership for your continued support and loyalty to the Credit Union. It is because of you that the Credit Union continues to be so successful. I would also like to thank the Staff and Management Team of the Credit Union for your continued dedication to serving the members, especially in a year like 2020. Lastly, I would like to thank my fellow Board of Directors for volunteering your time and talents to direct the Credit Union.

Dr. George Scott
Chairman of the Board of Directors

CEO REPORT

2020 was one for the centuries. A worldwide pandemic, two hurricanes, the aftermath of the TPC explosion, a controversial U.S. presidential election, and a major economic downturn, REALLY! How could anyone or anything survive? MCT Credit Union not only survived, but pursued opportunities to provide much needed financial assistance for our membership. With the Board of Directors providing key leadership, the Management Team making strategic decisions, and the Staff acting to make a difference, the result was Credit Union growth, positive earnings, and a continued strong financial position.

MCT faced many challenges in 2020 that could have negatively affected the financial performance of the Credit Union. The Federal Reserve holding interest rates at 0.0% to 0.25% was one major obstacle. However, the Credit Union assets grew 19.0% increasing from \$300 to \$357 million due to significant increases in shares and share drafts. Earnings declined from 2019 by 53.0% but remained positive at \$1.1 million. This was a direct result of low interest rates, waiving overdraft fees and deferring loan and credit card payments. As a result, the loan to asset ratio declined to 51.0% from 63.0%. Capital grew from \$29.8 to \$30.9 million, but the capital ratio declined to 9.75% in 2020. As for loan volume, it was relatively unchanged in 2020. Commercial loans increased by 1.0% to \$25.5 million, consumer loans decreased by 1.0% to \$81.2 million, and mortgage loans also decreased by 8.0% due to management's decision to sell to the secondary market as a result of the low interest rate environment. Loan delinquencies and losses remained low at 0.52% and 0.17% respectively, which are well below peer. Finally, the Credit Union opened 1,012 new member accounts and reported a slight increase in membership growth. In summary, MCT Credit Union remains strong and financially sound, despite all obstacles.

The Management Team and Staff accomplished many enhancements and improvements to systems, products, and services in 2020. The PSCU credit card and 24/7 call center conversion was completed and is providing enhanced features and benefits. The new relationship management system, Synapsys, was implemented and will greatly improve the member experience and interaction with the staff. Also, a new online banking platform, Banno, was implemented for the website and mobile app. In addition, a new money management tool, MyBudget, was introduced. Finally, land was purchased in Beaumont and Powers and Brown Architects were chosen to design and oversee the new branch project.

2021 will bring with it more enhancements and opportunities to improve the member experience and encourage Credit Union growth. Digital platforms, such as Podium, WebChat, Banno, and HubSpot, will be utilized to be more responsive to the financial needs of the membership. Management will be completing due diligence and begin the implementation of a new debit card provider, PSCU. Technology enhancements to the new account opening and loan processes will provide time savings and a better member experience. Further development of the Synapsys system will continue to improve member communications. Also, the effort to better serve the Hispanic community, a growing segment of the Credit Union's demographic, is progressing with the hiring of bilingual staff. And finally, the construction of the new Beaumont location will begin with the completion expected in the first quarter of 2022.

MCT Credit Union has shown its ability to adapt and change as the environment of its demographic changes, even when it involves a worldwide pandemic. I appreciate the memberships' loyalty, patience, and understanding as the MCT Team made decisions to provide a safe environment to continue to meet their banking needs, while protecting the Staff. The Staff showed resilience and commitment as it dealt with the pandemic personally and professionally, but never ceased to support the membership. I can't begin to express enough gratitude for their efforts. I would also like to thank the Management Team for providing the necessary leadership to meet the challenges of the evolving pandemic. Finally, I'm grateful for the Board of Directors providing key direction to further the growth and success of the Credit Union.

Team MCT will continue its efforts to live its Mission and Vision and grow its culture, Thank God It's Monday, to ensure the membership will be served and provided the financial services necessary to make their dreams a reality.

Thad J Angelle
Chief Executive Officer

BALANCE SHEET

Assets	12/31/2020	12/31/2019
Cash	\$3,225,311	\$3,265,119
Personal Loans	\$81,173,768	\$81,826,381
Real Estate Loans	\$94,132,612	\$99,725,334
Business Loans	\$841,358	\$961,184
Credit Card Loans	\$7,248,009	\$7,883,319
Less Allowance for Loan Loss	\$(408,515)	\$(569,960)
Land and Building	\$7,908,142	\$7,206,462
Furniture and Fixtures	\$402,710	\$542,713
Investments	\$147,947,895	\$89,345,042
Other Assets	\$14,517,198	\$9,730,934
Total Assets	\$356,988,488	\$299,916,528

Liabilities & Equity

Accounts Payable	\$4,172,794	\$4,500,158
Interest/Dividend Payable	\$84,526	\$123,497
Other Liabilities	\$6,852,028	\$3,078,863
Shares	\$152,425,430	\$124,501,876
Share Drafts	\$121,671,490	\$97,605,067
Certificates of Deposit	\$19,331,608	\$20,299,774
Money Market Funds	\$12,550,840	\$10,144,568
Individual Retirement Accounts	\$9,370,244	\$9,185,215
Other Comprehensive Income	\$(5,938,151)	\$(3,205,608)
Reserve Fund	\$3,933,574	\$3,933,574
Undivided Earnings	\$30,913,740	\$29,797,699
Accumulated Unrealized Gain (Loss)		
On Available to Sale Securities	\$1,620,365	\$(48,154)
TOTAL LIABILITIES AND EQUITY	\$356,988,488	\$299,916,528

Statistical Information

Number of Members	20,555	20,541
Growth in Membership	0.07%	-0.77%
Operating Expenses as a Percent of Total Income	85.15%	73.65%
Total Loans as a Percent of Assets	51.37%	63.48%
Capital (Reserves & Undivided Earnings)	9.75%	11.21%
Investments as a Percent of Assets	41.44%	29.79%
Growth in Shares and Deposits	20.48%	0.70%
Growth in Loans	-3.68%	0.17%
Growth in Assets	19.03%	1.37%

STATEMENT OF INCOME & EXPENSES

Interest Income	12/31/2020	12/31/2019
Income from Loans	\$9,439,420	\$9,882,019
Income from Investments	\$1,064,779	\$1,914,291
Total Interest Income	\$10,504,199	\$11,796,310
Interest Expense		
Dividends on Shares	\$331,811	\$350,063
Interest on Deposits	\$1,046,338	\$1,175,609
Interest on Borrowed Money	\$ -	\$89,500
Total Interest Expense	\$1,378,149	\$1,615,172
Provision for Loan Losses	\$152,842	\$348,481
Non-Interest Income		
Fee Income	\$1,300,385	\$1,795,949
Other Operating Income	\$3,257,997	\$2,897,413
Gain(Loss) on Investments	\$ -	\$ -
Gain(Loss) on Disposition of Fixed Assets	\$39,302	\$(72,156)
Other Non-Operating Income (Expense)	\$371,304	\$(48,156)
Total Non-Interest Income	\$4,968,988	\$4,573,050
Non-Interest Expenses		
Employee Compensation and Benefits	\$6,502,055	\$6,040,005
Travel and Conference	\$133,334	\$205,761
Office Occupancy	\$878,302	\$784,990
Office Operations	\$2,561,267	\$2,642,405
Promotion and Marketing	\$834,320	\$652,923
Loan Servicing	\$504,806	\$298,992
Professional and Outside Servicing	\$1,319,813	\$1,340,643
Regulatory Fees	\$37,758	\$36,382
Miscellaneous	\$54,500	\$52,625
Total Non-Interest Expense	\$12,826,155	\$12,054,726
Net to Undivided Earnings	\$1,116,041	\$2,350,981

BOARD & ADVISORY DIRECTORS

NAME	TERM OF OFFICE EXPIRES
Jimmy Myers	2021
Randy Brown	2021
Trent Devenzio	2021
Deborah Norris	2022
Randy Chance	2022
Dr. Kimberly Pitts	2022
Dr. George Scott	2023
Rebecca Demeter	2023
Michael Laird	2023

ADVISORY

Gary Tiner
Dale Fontenot

EXECUTIVE MANAGEMENT

Thad Angelle, Chief Executive Officer
Chad Powell, Chief Financial Officer, Executive Vice President
Keith Fontenot, Chief Lending Officer
Karen Frederick, Chief Operations Officer



MICHAEL F. GUIDRY

October 14, 1943 – October 1, 2020

In Memory

Michael Guidry served as a Director of MCT Credit Union for 45 years, many times as its chairman. He served the Nederland Independent School District for 24 years. He proudly served his country in the United States Navy as an Aviation Electronics Technician from 1968-1972. His leadership and dedication to MCT greatly influenced the Credit Union's growth, and he will be sincerely missed.